



PUBLIC NOTICE

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DA 04-2509
August 11, 2004

INTERNATIONAL AUTHORIZATIONS GRANTED

In re Applications of The News Corporation Limited and The DIRECTV Group, Inc. (Transferors) and Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC and PEOP PAS, LLC (Transferees) for Authority to Transfer Control of PanAmSat Licensee Corp.

IB Docket No. 04-209

By the Chief, International Bureau:

On May 18 and May 27, 2004, The News Corporation Limited ("News Corp.") and The DIRECTV Group, Inc., f/k/a Hughes Electronics Corporation ("The DIRECTV Group" and, together with News Corp., "Transferors") and Constellation, LLC ("Constellation"), Carlyle PanAmSat I, LLC ("Carlyle PanAmSat I"), Carlyle PanAmSat II, LLC ("Carlyle PanAmSat II"), PEP PAS, LLC ("PEP PAS") and PEOP PAS, LLC ("PEOP PAS" and, together with Constellation, Carlyle PanAmSat I, Carlyle PanAmSat II and PEP PAS, "Transferees") filed ten applications ("Applications") pursuant to section 310(d) of the Communications Act of 1934, as amended.¹ The unopposed Applications seek consent to transfer control of various non-common carrier fixed satellite service space station and earth station licenses and authorizations held by PanAmSat Licensee Corp. ("PanAmSat LC") to the five Transferees, each of which is a limited liability company organized under the laws of the State of Delaware.² The five Transferees are owned by private equity partnerships (the "Private Equity Funds") associated with three U.S. private investment firms: Kohlberg Kravis & Roberts Co. L.P. ("KKR"); TC Group, L.L.C., d/b/a The Carlyle Group ("Carlyle"); and Providence Equity Partners, Inc. ("Providence").

¹ 47 U.S.C. § 310(d). On June 2, 2004, the International Bureau placed the Applications on public notice as acceptable for filing. *See The News Corporation Limited and The DIRECTV Group, Inc. (Transferors) and Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC and PEOP PAS, LLC (Transferees) Seek Approval to Transfer Control of FCC Licenses and Authorizations Held by PanAmSat Licensee Corp., Pleading Cycle Established*, IB Docket No. 04-209, Public Notice, DA 04-1605 (Int'l Bur. June 2, 2004). No comments were filed in response to the June 2, 2004 public notice. Moreover, we received no comment from the Executive Branch after advising it of the Applications.

² Pursuant to section 1.65 of the rules, 47 C.F.R. § 1.65, on June 24, 2004, Applicants updated the information provided in the Applications. *See Letter from Counsel for Applicants to Secretary, Federal Communications Commission, IB Docket 04-209 (dated June 24, 2004) ("June 24 Letter")* (adding two new officers).

Through the transaction, the Transferees will become the owners of more than 99 percent of the stock of PanAmSat Corporation ("PanAmSat"), the parent company of PanAmSat LC.³

The International Bureau finds, upon consideration of the record, that grant of the Applications will serve the public interest, convenience, and necessity.⁴ Based on our review of the record, we find no evidence to suggest that the Transferees lack the basic qualifications to control PanAmSat LC.⁵ Further, the record contains no evidence that the proposed transfer would harm competition in any relevant product or geographic market.⁶ The Transferees have no ownership investments in any other satellite operator and the other communications investments held by the private equity funds associated with KKR, Carlyle and Providence do not present competitive concerns.⁷ Moreover, the private equity investments are intended to provide a more flexible capital structure to facilitate PanAmSat's efforts to expand its customer base and develop new products and services.⁸

Therefore, pursuant to section 310(d) of the Communications Act of 1934, as amended, and section 0.261 of the Commission's rules,⁹ the International Bureau hereby grants the Applications listed in Attachment A to this Public Notice, effective upon release of this Public Notice. As requested by Applicants, our approval of the transfer of control of PanAmSat LC includes authority for the new shareholders of PanAmSat to acquire control with respect to authorizations granted from May 18, 2004 until consummation of the grant.¹⁰ Further, as requested by Applicants,¹¹ we confirm that the new procedures adopted in the *First Space Station Reform Order* apply to PanAmSat's pending applications.¹²

³ See, e.g., Application of The News Corporation Limited and The DIRECTV Group, Inc. (Transferors) and Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC and PEOP PAS, LLC (Transferees) for Authority to Transfer Control of PanAmSat Licensee Corp., File No. SAT-T/C-20040518-00100, FCC Form 312, Exhibit 3, Consolidated Application for Authority to Transfer Control ("Consolidated Application"), at 12. The remainder of the stock will be held by certain PanAmSat employees who have agreed not to have certain of their equity interests in PanAmSat cashed out in the transaction. See *id.*

⁴ See 47 U.S.C. § 310(d).

⁵ We note that section 310 is not applicable to the licenses and authorizations involved in the transfer of control. See 47 U.S.C. § 310(a), (b)(1)-(4). See also *General Motors Corporation and Hughes Electronics Corporation, Transferors, and The News Corporation Limited, Transferee*, Memorandum Opinion and Order, MB Docket 03-124, FCC 03-330, 19 FCC Rcd 473, 490 ¶ 31 (2004) ("*Hughes/News Order*") (section 310(a) and (b) does not apply to any of the non-common carrier earth and space station licenses transferred to News Corp., including those held by PanAmSat LC).

⁶ PanAmSat is a major provider of fixed satellite services ("FSS") in the United States. See *Hughes/News Order*, 19 FCC Rcd at 586 ¶ 253. PanAmSat's satellites carry video programming for broadcasters and other programmers, as well as Internet backbone support, communications network support and pipelines for telecommunications providers. See *id.* In the *Hughes/News Order*, the Commission noted that there appears to be sufficient excess capacity in the FSS market, and found that PanAmSat continues to possess limited market power in the provision of FSS capacity. See *id.* at 587 ¶ 258.

⁷ See, e.g., Consolidated Application at 6-12 (other communications investments). See also June 24 Letter at 2 (Carlyle's acquisition of other communications assets).

⁸ See, e.g., Consolidated Application at 16.

⁹ 47 C.F.R. § 0.261.

¹⁰ Applicants ask that the grant of the transfer applications include authority for the new shareholders of PanAmSat to acquire control with respect to: (1) all authorizations issued to PanAmSat or any of its subsidiaries during the period following the filing of the Applications (that is, beginning May 18, 2004) and the consummation of the transaction following Commission approval; (2) all construction permits held by such companies that mature into licenses during the period following the filing of the Applications and the consummation of the transaction

The transfers of control shall be completed within 60 days from the date of authorization.¹³ Following consummation of the transaction, Applicants shall update any pending applications to reflect the transaction approved by this public notice.¹⁴ Within 30 days of consummation, the Commission shall be notified by letter of the date of consummation and the file numbers of the applications involved in the transaction.¹⁵ As applicable, the Applicants shall follow the Commission's procedures for changes of ownership of satellites on the Permitted List.¹⁶

Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

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following Commission approval; and (3) all applications filed after the date of the Applications and pending at the time of consummation of the proposed transfer. *See, e.g., Consolidated Application* at 20.

¹¹ *See, e.g., Consolidated Application* at 19-20.

¹² *See Amendment of the Commission's Space Station Licensing Rules and Policies*, First Report and Order and Further Notice of Proposing Rulemaking, 18 FCC Rcd 10760, 10864 ¶ 276 (2003) ("*First Space Station Reform Order*"). *See also General Motors Corporation and Hughes Corporation, Transferors, and The News Corporation Limited, Transferee*, Supplemental Order, MB Docket No. 03-124, DA 04-961, 19 FCC Rcd 6309, 6311 ¶ 4 (Int'l Bur., WTB, OET 2004).

¹³ *See* 47 C.F.R. § 25.119(f).

¹⁴ *See* 47 C.F.R. § 1.65.

¹⁵ *See* 47 C.F.R. § 25.119(f).

¹⁶ *See First Space Station Reform Order*, 18 FCC Rcd at 10880 ¶¶ 326-327; 47 C.F.R. § 25.137(g).

Attachment A

PANAMSAT LICENSEE CORP.

Space Station Licenses:

<i>File Number</i>	<i>Call Signs</i>
SAT-T/C-20040518-00100	CS91004 (PAS-5); PAS-4; PAS-2R; S2359 (PAS-8B); S2368 (PAS-1R); S2380 (PAS-23); PAS-6; S2382 (PAS-24); S2378 (Galaxy X-R); Galaxy V; S2146 (Galaxy IX); S2131 (Galaxy I-R(S)); SBS-6; S2253 (Galaxy XI); S2381 (Galaxy III-C); Galaxy III-R; Galaxy VIII(I); S2377 (Galaxy IV-R); S2422 (Galaxy XII); S2386 (Galaxy XIII); S2423 (SBS-6R); S2385 (Galaxy XIV); PAS-4R; PAS-9; PAS-21
SAT-T/C-20040527-00108	KS39 (SBS-4)

Space Station Special Temporary Authorizations:

<i>File Number</i>	<i>Call Signs</i>
SAT-STA-20040518-00099	PAS-9
SAT-STA-20040518-00098	S2460 (PAS-5)
SAT-STA-20040518-00097	S2146 (Galaxy IX)
SAT-STA-20040518-00096	S2422 (Galaxy XII)
SAT-STA-20040518-00094	Galaxy VIII(I)

Satellite Earth Station Licenses:

<i>File Number</i>	<i>Call Signs</i>
SES-T/C-20040518-00692	E010280 (VSAT Transmit/Receive)
SES-T/C-20040518-00694	E970051; E950067; E000063; E000363; E010113; E010131; E010133; E4132; E900089; E920340; E920377; E930088; E940368; E950502; E959508; E980501; E980503; E990091; E990323; E990334; E990364; E990365; E2178; E3943; E860175; E881304; E900621; E900757; KL92; E000048; E000049; E000274; E000364; E000488; E010019; E010112; E7465; E881286; E890530; E940333; E940532; E950267; E950307; E970352; E970391; E970392; E980460; E980467; E980502; E990092; E990093; E990214; E990223; E990224; E990363; E990433; KA244; KA245; KA391; KA450; KA71; E020309; E030012; E990024; E030106; E030096; E030232; E030072; E030073; E030174; E030175; E030306; E030307; E990441; E020260; E030182; E960411; E980069; KA416; E990056; E970189 (Transmit/Receive)
SES-T/C-20040518-00693	E990055; E010118 (Temporary-fixed; transmit/receive authorization)